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WATER HAULING SURCHARGE TAR

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ORIGINAL

Eagletail Water Company, L.C.
Docket No. W-03936A-11-0418, Et al.

Eagletail Water Company L.L.C. ("Eagletail") is authorized to make monthly adjustments to its rates and charges to recover the cost incurred for bulk water purchases and transportation ("Water Hauling Costs") in the event that Eagletail experiences extreme water shortages requiring the hauling of water from other sources.

The Water Hauling Surcharge for each customer shall be based on Eagletail's prior month's water hauling costs, and compared to the customer's water usage during that particular month. The only costs recovered by Eagletail through this surcharge will be the actual cost of the water supply and transportation cost; there will be no administrative costs or profit in this surcharge.

The Water Hauling Surcharge shall be calculated by dividing the total Water Hauling Costs incurred in a given month by the total amount of water sold in that month to determine a rate per 1,000 gallons. That rate is then applied to the actual gallons sold to each customer in that month to arrive at that customer's surcharge amount, which will appear as a separate line item on that customer's bill the following month.

The following is a hypothetical example which illustrates how the surcharge is calculated:

Water Hauling Costs for May 2012

Cost of water supply	\$300.00
Cost of transportation	\$700.00
Total water hauling costs	\$1,000.00

<u>Total gallons sold in May 2012</u>	50,000
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<u>Rate per 1,000 gallons</u>	
(\$1,000 ÷ 50,000 gallons)	\$20/1,000 gallons

<u>Your usage during May 2012</u>	2,000 gallons
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<u>Your surcharge on your June 2012 bill</u>	
(2,000 gallons x \$20/1,000 gallons)	\$40

Under this example, if you used 2,000 gallons during the month of May, you would see a surcharge of \$40.00 on your June 2012 bill, in addition to your usual rates and charges.

Calculation:

<u>Total Hauling Costs</u>	Dollars	<u>\$1,000</u>	= \$0.02 per gal
Consumption	Gallons	50,000	

\$0.02 x 1,000 = \$20.00 per 1,000 gallons

2,000 May Usage x \$20 (per 1,000 gals) = \$40 MAY SURCHARGE

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

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